



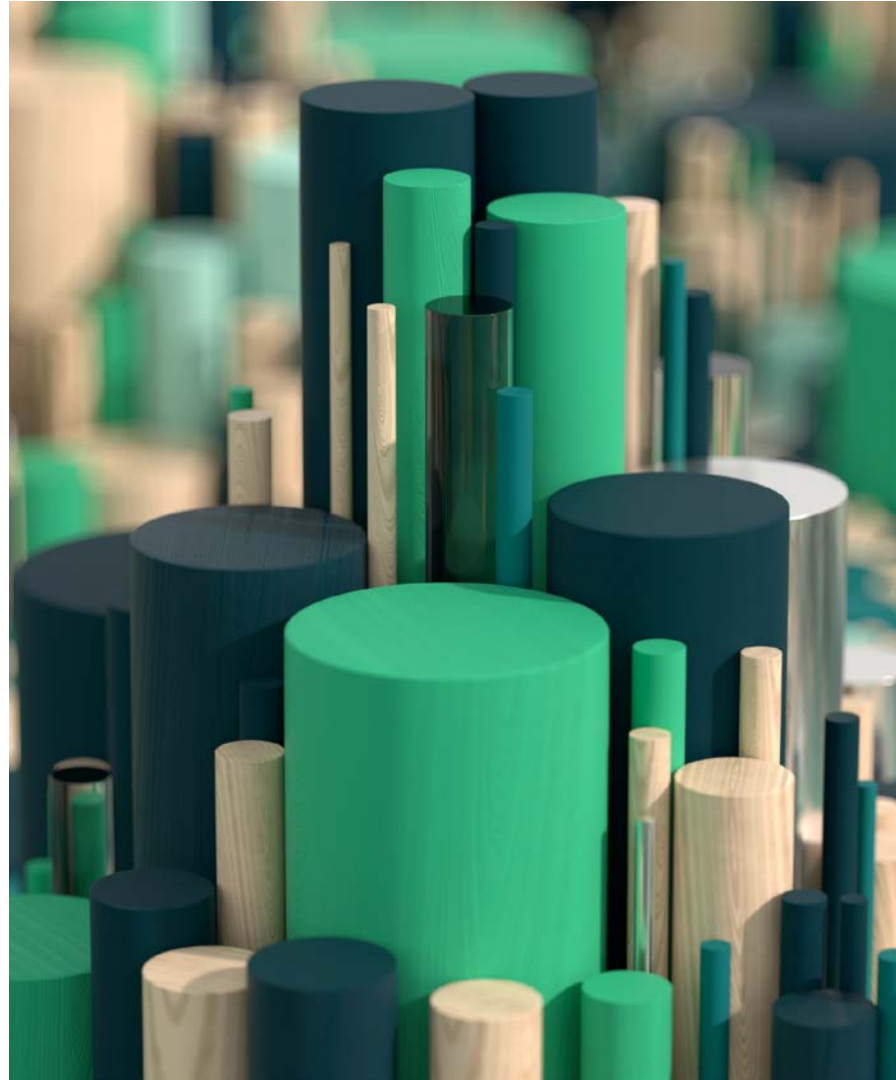
Results DNB Group

Second quarter 2023

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Ida Lerner (CFO)

Q2

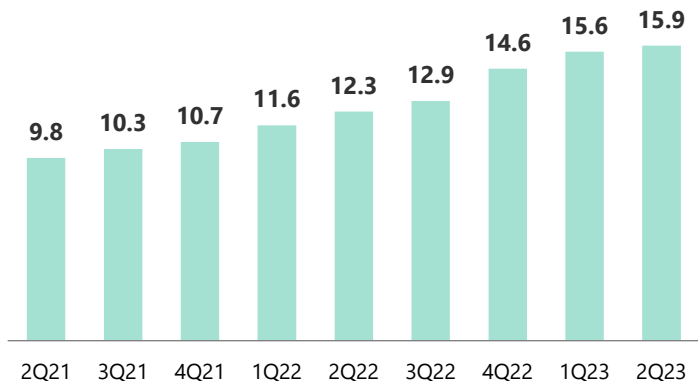
12 July 2023



Continued strong performance and solid asset quality

Return on equity

Per cent, trailing 12-month figures



Profit for
the period
NOK billion
9.5

CET1
capital ratio
Per cent
18.9

Return on equity (ROE) of 15.6 per cent in the quarter

Solid result across customer segments.

Net interest income (NII) up 4.3 per cent from 1Q23 and 32.2 from 2Q22

Driven by profitable lending growth in all segments, higher deposit volumes in personal customers segment and higher interest rates.

Net commissions and fees (NCF) up 10.2 per cent from 2Q22

All-time high second quarter, strong deliveries across product areas. Robust and diversified fee platform.

Impairment provisions of NOK 871 million

NOK 653 million relating to a legacy foreign currency portfolio in Poland. Overall robust asset quality – 99.2 per cent in stages 1 and 2.

Earnings per share (EPS) up 18.1 per cent from 2Q22

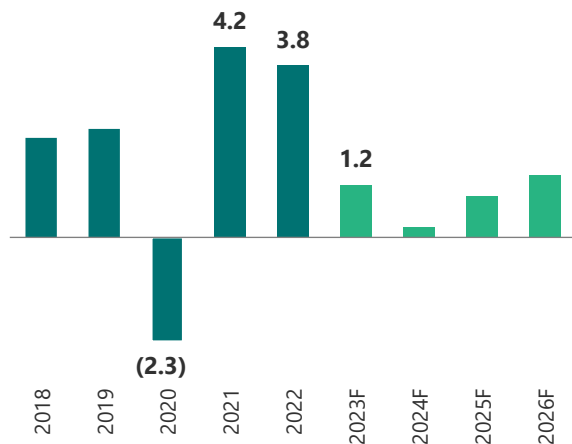
EPS of NOK 5.93 for the quarter.

Robust Norwegian economy

- Healthy activity levels in first half of 2023 – moderate growth in mainland economy anticipated going forward
- Latest forecast from Norges Bank indicates further hikes in key policy rate to 4.25 per cent
- Inflation expected to peak this year and gradually decline in forecasting period

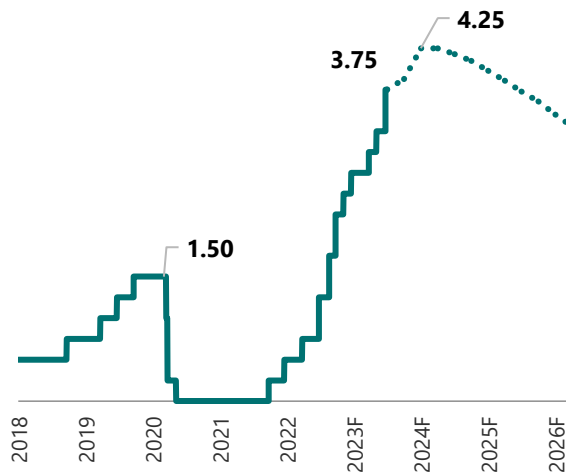
Mainland GDP

Actual and Norges Bank forecast
Per cent



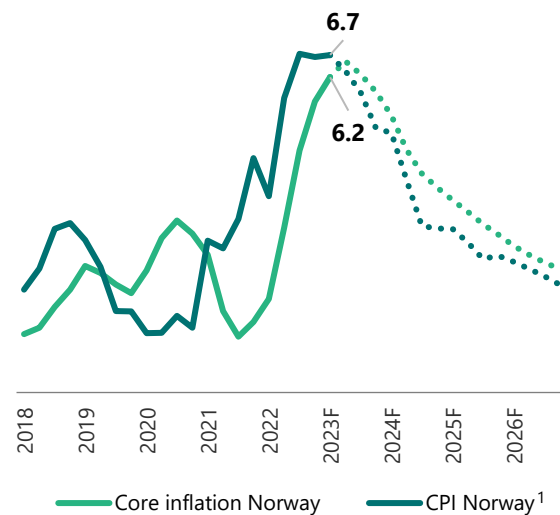
Key policy rate

Actual and Norges Bank forecast
Per cent



Inflation

Actual and Norges Bank forecast
Per cent

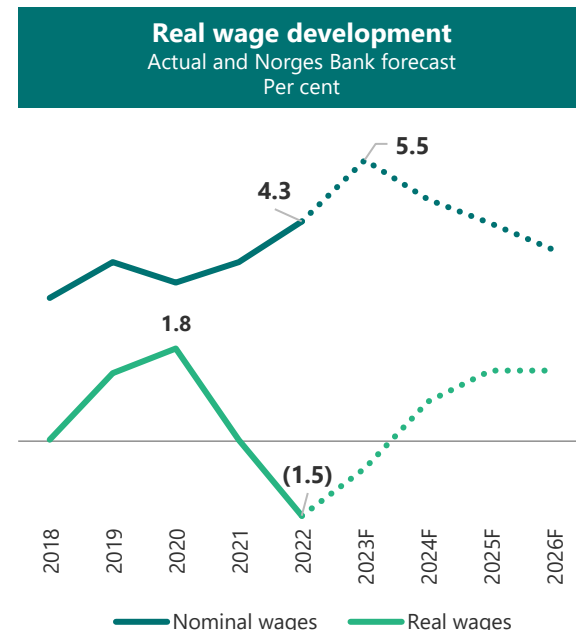
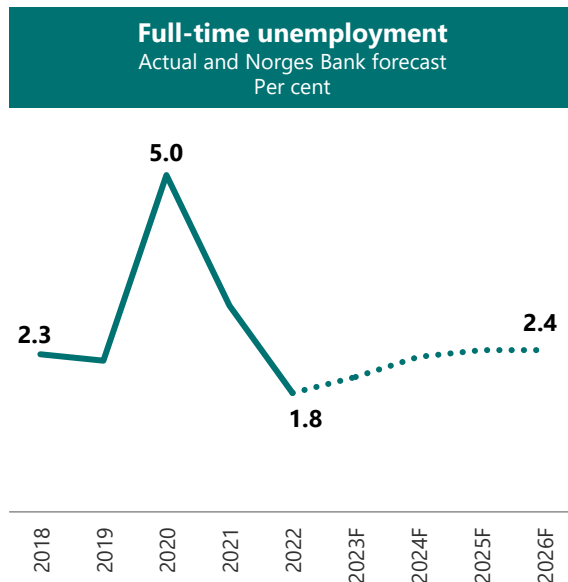
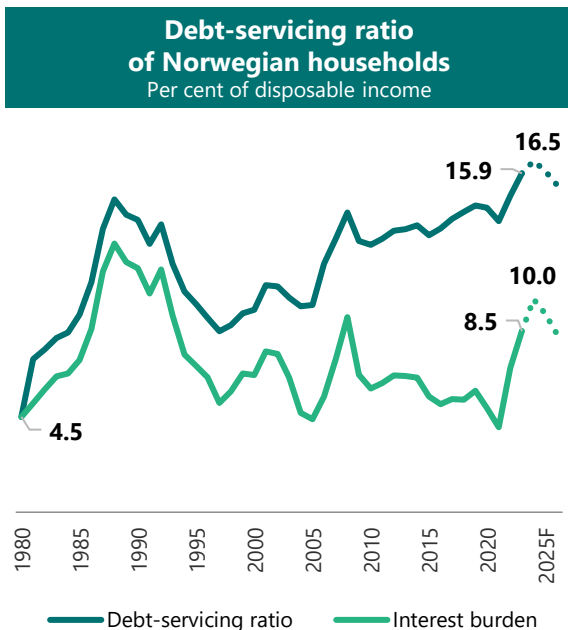


1) Consumer price index.

Sources: Statistics Norway, DNB Markets, Norges Bank (Norwegian central bank).

Resilient Norwegian households

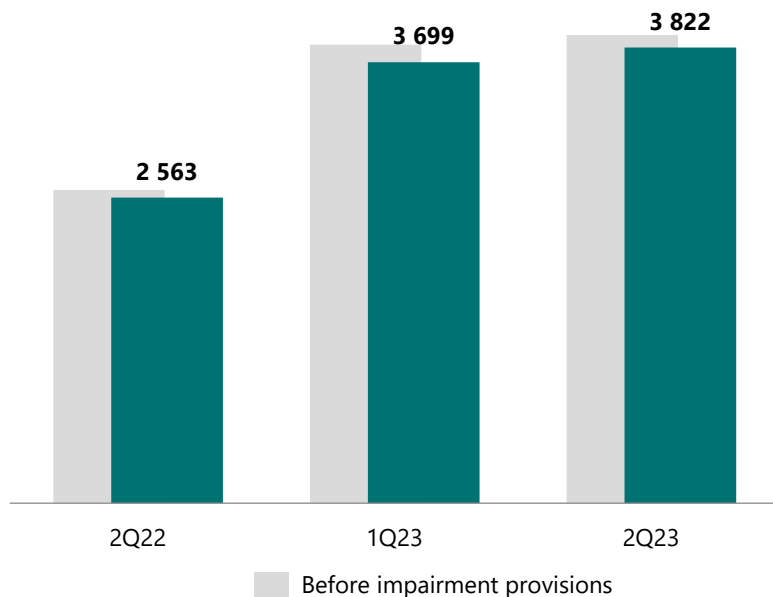
- Debt-servicing ratio edging higher – Norwegian households generally robust
- Unemployment rates expected to remain low throughout forecasting period
- Negative real wage development of 1.5 per cent expected for 2023 – with return to positive growth in 2024



Personal customers – profitable lending and deposit growth

Pre-tax operating profit

NOK million

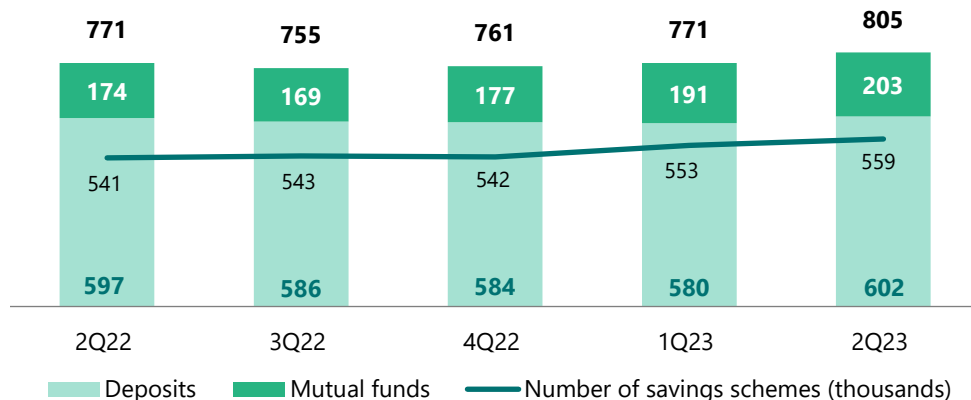


Highlights of the quarter

- Growth in loans and deposits of 0.5 and 3.7 per cent, respectively
- NII down 0.8 per cent from 1Q23, affected by increased NOK money market rates and lag effects
- Total income up 2.0 per cent from 1Q23 and 26.2 per cent from 2Q22
- Personal customers remain committed to savings schemes

Solid development in savings

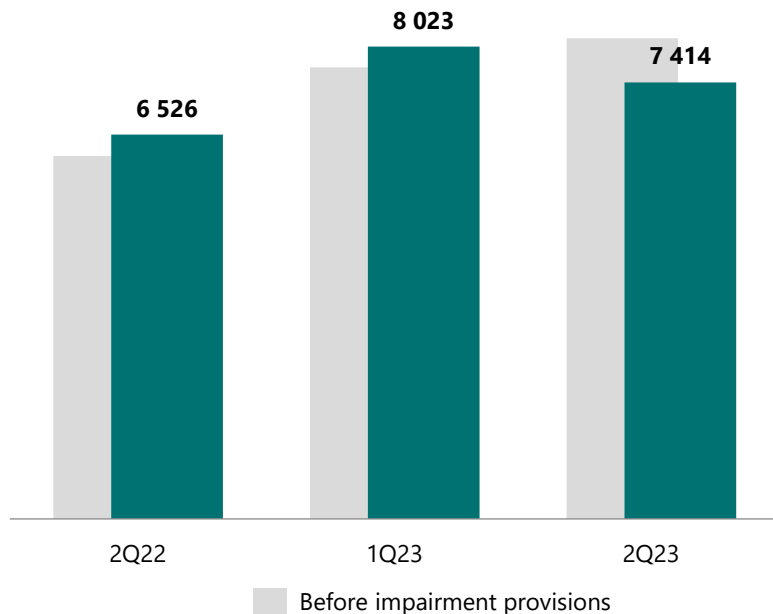
Savings volumes at end of period, NOK billion



Corporate customers – high activity level and solid results

Pre-tax operating profit

NOK million

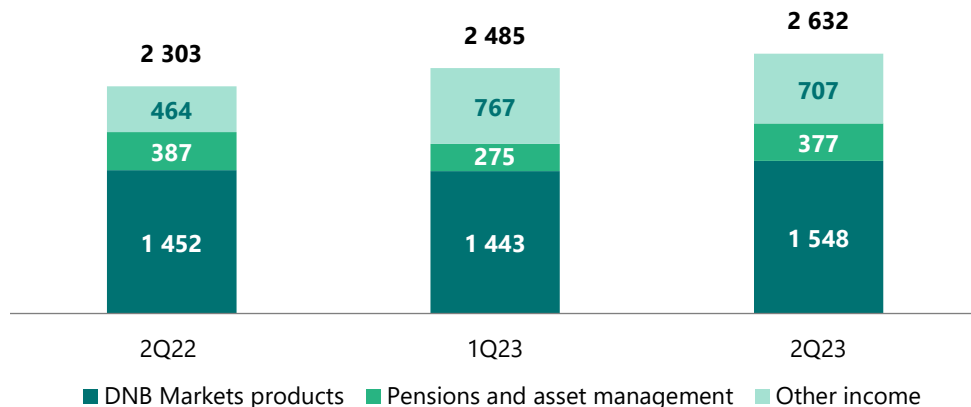


Highlights of the quarter

- Profitable growth in average performing loans of 3.3 per cent from 1Q23, NII up 7.0 per cent
- Other operating income¹ up 5.9 per cent from 2Q22
- Robust asset quality – impairment provisions of NOK 653 million relating to a legacy foreign currency portfolio in Poland

Other operating income¹

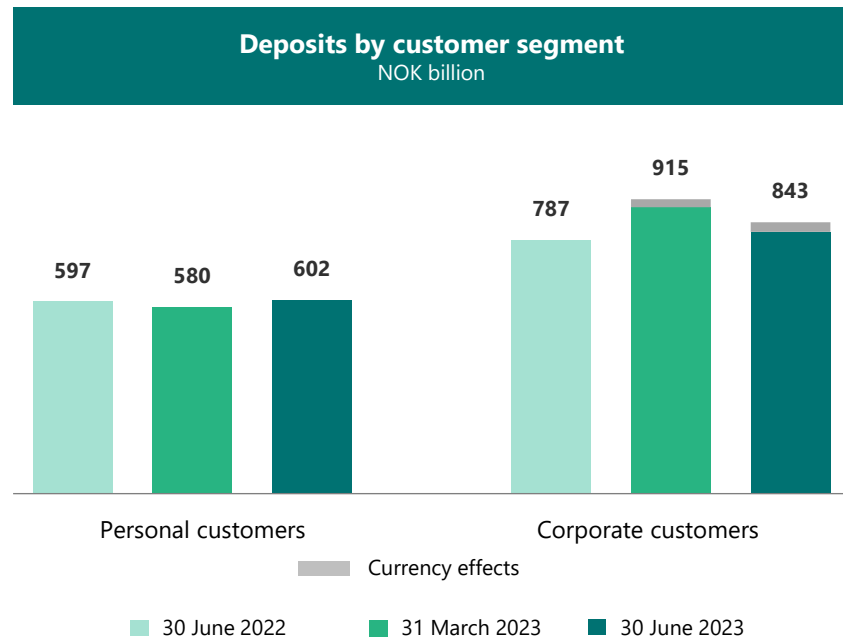
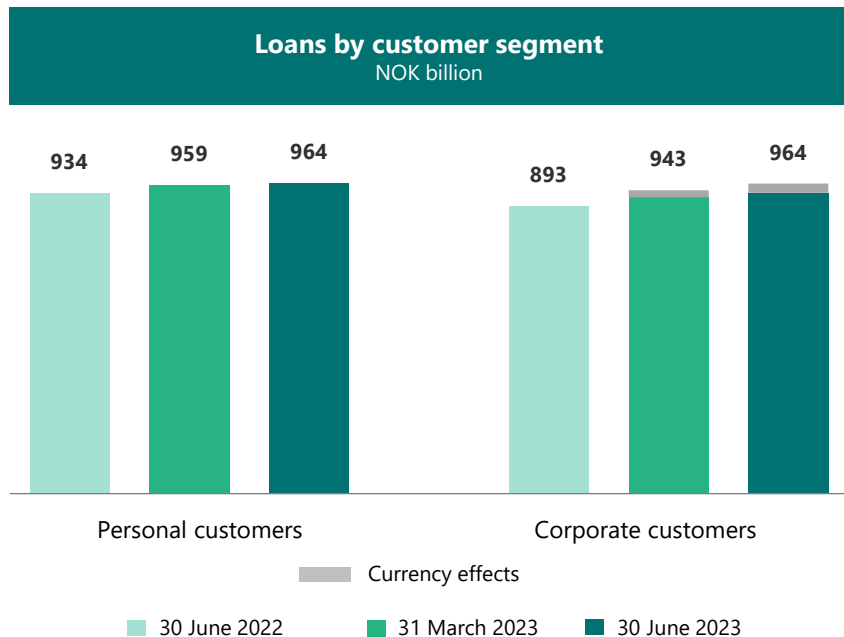
NOK million



1) Excluding gains on financial instruments.

Continued profitable growth in loans

- Loan growth of 1.4 per cent in the quarter¹ – Personal customers up 0.5 and Corporate customers up 2.2 per cent
- Deposits down 3.4 per cent in the quarter² – Personal customers up 3.7 and Corporate customers down 7.9 per cent
 - reduction in Corporate customers' deposits affected by dividend payments across industries and tax payments in oil and gas industry



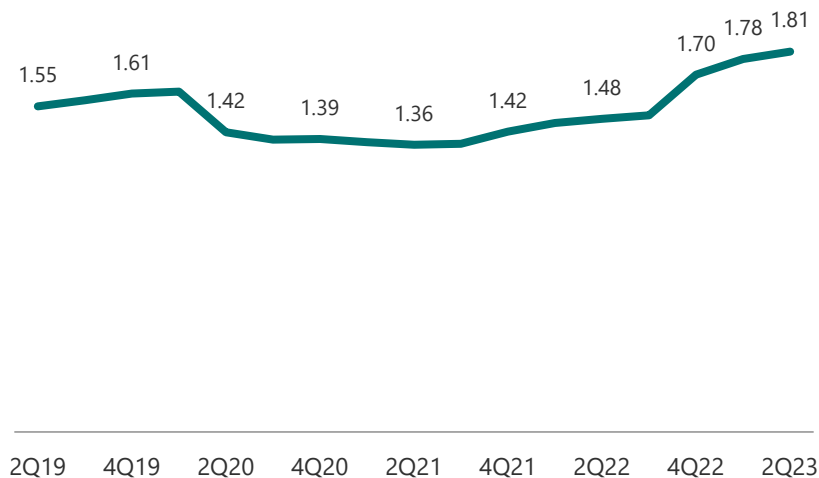
1) 1.0 per cent currency-adjusted.

2) -3.8 per cent currency-adjusted.

Strong development in net interest margin

Net interest margin¹

Per cent



Spreads in customer segments

Per cent



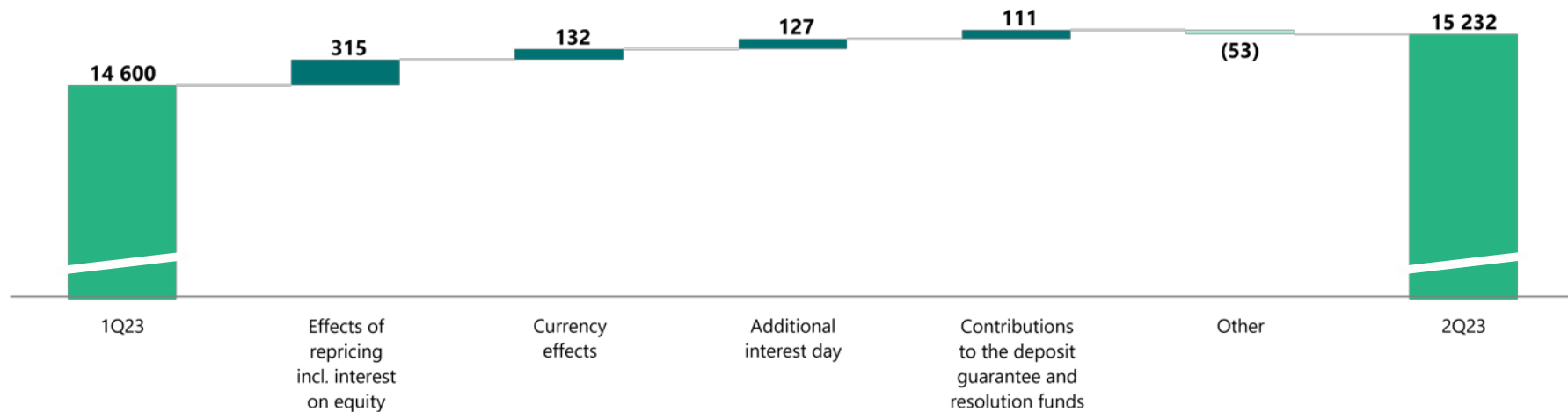
1) Total net interest income relative to average loans and deposits in the customer segments.

Net interest income driven by volume growth and increased interest rates

- Net interest income up NOK 633 million – or 4.3 per cent
- Following Norges Bank's key policy rate hikes in May and June, DNB announced repricings with effect from mid-June and early August
- Full effect of repricings from end-January, and partial effect of repricings from mid-May and end-June, respectively

Net interest income from 1Q23 to 2Q23

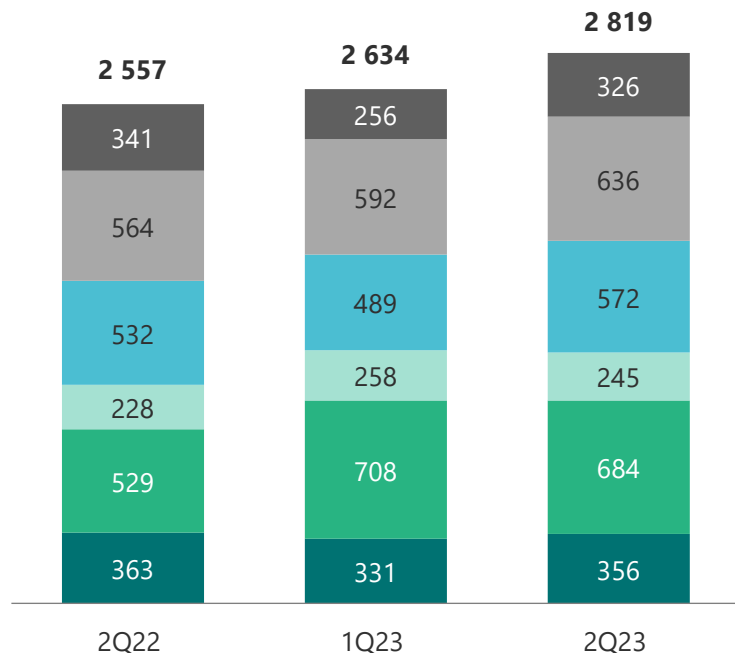
NOK million



Commissions and fees up 10.2 per cent from 2Q22 – all-time high second quarter

Commissions and fees

NOK million / Change in per cent from 2Q22



-4.3

Real estate broking

Increased market share for DNB Eiendom in market with lower activity

+12.6

Investment banking services

Strong results in DCM¹ driven by high activity in bonds

+7.4

Asset management and custodial services

AuM¹ up 13.5 per cent from 2Q22 – inflow, increased market value and continued positive development in savings schemes in the second quarter

+7.8

Guarantee commissions

Solid increase in underlying demand for trade finance products

+29.2

Money transfer and banking services

Strong development from banking services and continued positive development from money transfer services

-1.8

Sale of insurance products

Stable underlying commissions and fees from sale of insurance products. Strong performance in DNB Livsforsikring, cf. 'Other operating income' in appendix

1) DCM: Debt capital markets. AuM: Assets under management.

Stable operating expenses

Operating expenses from 1Q23 to 2Q23

NOK million



Robust and well-diversified portfolio – 99.2 per cent in stages 1 and 2

- Personal customers portfolio – continued low impairment provisions
- Corporate customers portfolio – increase in stage 3 impairment provisions related to customer-specific situations offset by increased reversals led to moderate increase in net impairment provisions
- Other – related to a legacy foreign currency portfolio in Poland from pre-2012 – constitutes 75 per cent of total impairment provisions

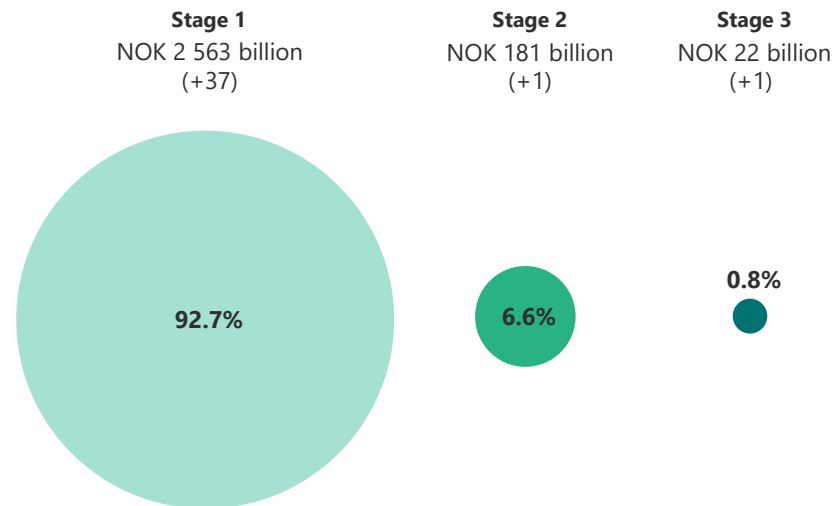
Impairment of financial instruments by industry segment

NOK million

	2Q23	1Q23	2Q22
Personal customers			
- Stages 1 and 2	34	11	(49)
- Stage 3	(37)	(81)	(45)
Corporate customers			
- Stages 1 and 2	(22)	(87)	149
- Stage 3	(193)	236	154
Other	(653)		
Total	(871)	79	209

Maximum exposure¹

Changes from 1Q23 in parentheses

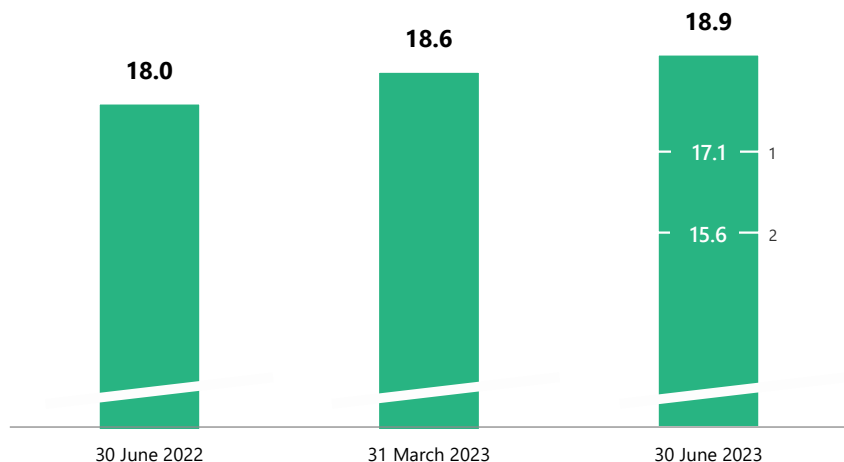


1) On- and off-balance sheet items, net of accumulated impairment provisions.

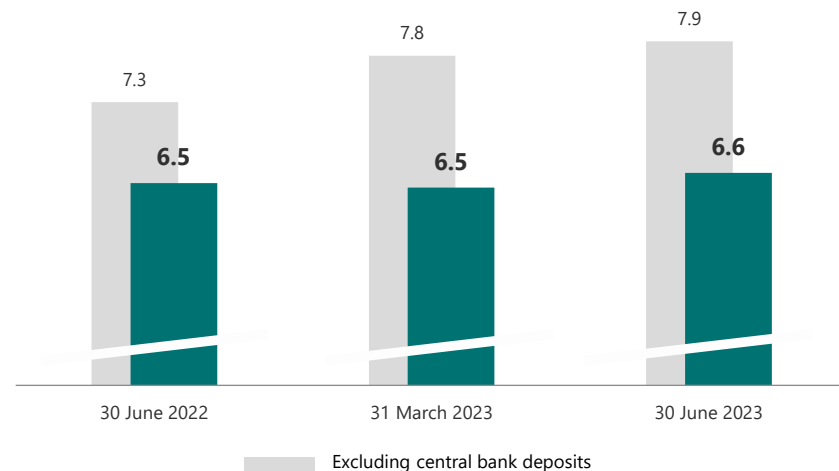
Continued strong capital position

- Profits contributed to 50 basis-point increase in CET1 capital ratio, offset by 20 basis-point decrease from volume growth and other effects
- CET1 capital ratio of 18.9 per cent with ~180 basis-point headroom to FSA's expectations
- Approval from Financial Supervisory Authority of Norway (FSA) for buy-back programme still pending

CET1 capital ratio
Per cent

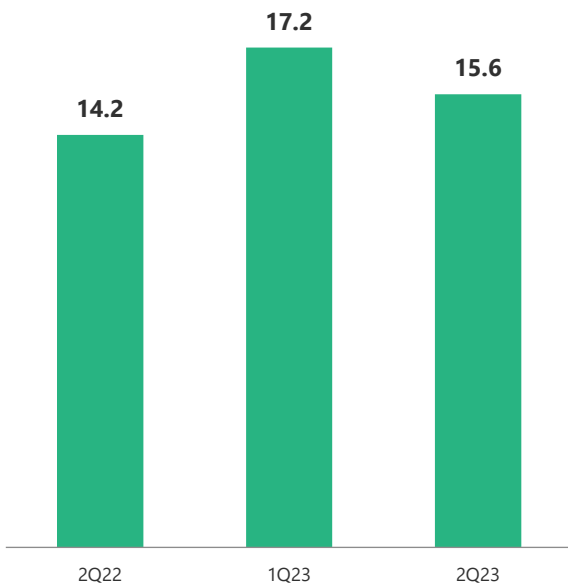


Leverage ratio
Per cent

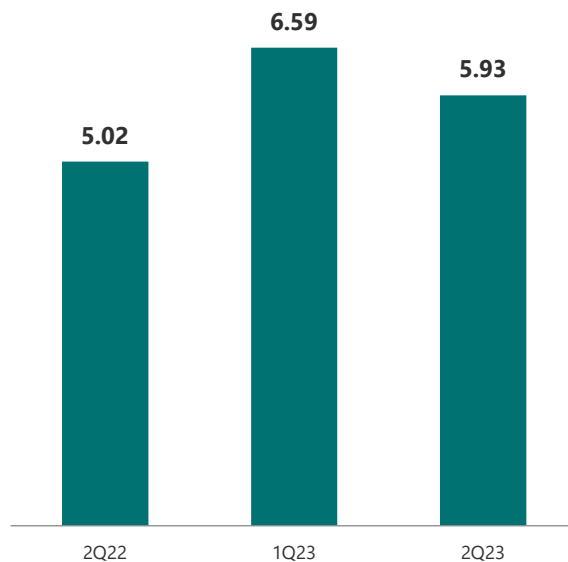


Strong second quarter performance

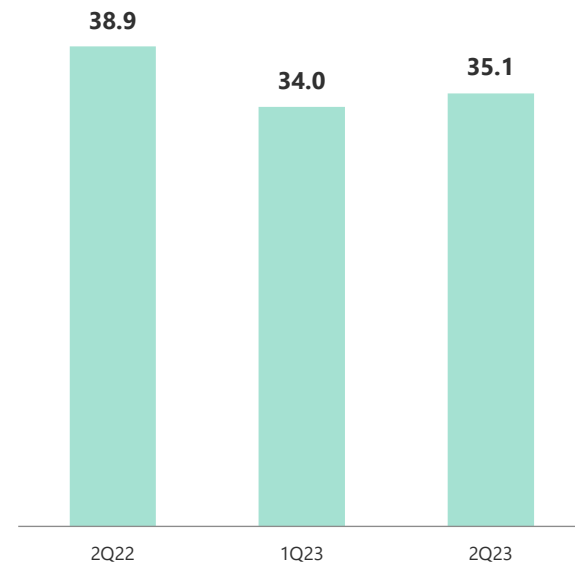
Return on equity
Per cent



Earnings per share
NOK



Cost/income ratio
Per cent



Appendix



Income statement

NOK million	2Q23	1Q23	2Q22	Change from 1Q23	Change from 2Q22
Net interest income	15 232	14 600	11 525	633	3 707
Other operating income	4 971	5 936	4 863	(965)	108
Total income	20 203	20 536	16 388	(333)	3 815
Operating expenses	(7 083)	(6 976)	(6 370)	(107)	(713)
Pre-tax operating profit before impairment	13 120	13 560	10 018	(440)	3 102
Impairment of loans and guarantees and gains on assets	(856)	79	209	(936)	(1 066)
Pre-tax operating profit	12 263	13 639	10 227	(1 376)	2 036
Tax expense	(2 821)	(3 137)	(2 351)	316	(469)
Profit from operations held for sale, after taxes	19	(30)	81	49	(62)
Profit for the period	9 462	10 472	7 957	(1 011)	1 505
Portion attributable to shareholders	9 149	10 192	7 783	(1 043)	1 366

Other operating income

NOK million	2Q23	1Q23	2Q22	Change from 1Q23	Change from 2Q22
Net commissions and fees	2 819	2 634	2 557	185	262
Customer revenues in DNB Markets	771	781	680	(10)	91
Trading revenues in DNB Markets	401	324	132	77	270
Hedging of defined-benefit pension scheme	48	62	(141)	(14)	190
Credit spreads on bonds	27	72	(78)	(45)	105
Credit spreads on fixed-rate loans	58	(235)	(253)	293	312
CVA/DVA/FVA	36	78	(19)	(42)	55
Other mark-to-market adjustments	(326)	859	(120)	(1 185)	(205)
Basis swaps	53	(4)	428	56	(376)
Exchange rate effects on additional Tier 1 capital	209	527	997	(318)	(788)
Net gains on financial instruments at fair value	1 277	2 464	1 624	(1 186)	(347)
Net life insurance result	338	154	277	184	61
Profit from investments accounted for by the equity method	76	164	165	(88)	(89)
Other	460	520	239	(60)	221
Net other operating income, total	4 971	5 936	4 863	(965)	108

DISCLAIMER

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